

## MODERNIZATION OF SURFACE TRANSIT IN SANTIAGO, CHILE

(TC-00-09-02-4)

### EXECUTIVE SUMMARY

<b>Beneficiary/ Requester:</b>	Republic of Chile	
<b>Executing agency:</b>	Ministry of Transportation and Telecommunications (MTT), through its Office of Transportation (SUBTRANS).	
<b>Amount and source:</b>	Modality:	Window 1
	MIF	US\$1,250,000
	Local:	US\$1,250,000
	Total:	US\$2,500,000
<b>Implementation:</b>	Execution period:	30 months
	Disbursement period:	34 months
<b>Objectives:</b>	To modernize the surface transit system in metropolitan Santiago, Chile by granting a new round of concessions to private operators. To that end, support and follow-up will be provided for the legal, regulatory, financial, technical, and operational aspects of bidding procedures to provide services.	
<b>Description:</b>	This project will help create a modern and efficient mass transit system in metropolitan Santiago, Chile by designing new private sector concessions for system operation. The operation will provide enhanced institutional and operational arrangements, and will encourage investments by the companies in vehicles, equipment, repair shops, and other permanent facilities, and in the technologies necessary to implement the system. To that end, the operation will develop the technical and financial bases that will reorganize mass transit by private sector concessions granted through competitive bidding, a process also supported by the project.	
<b>Special contractual conditions:</b>	Once the General Conditions set forth in the loan contract with the Bank have been fulfilled and separate accounts have been opened for the MIF contribution and the local counterpart funding, the MTT/SUBTRANS will hire a professional to help prepare the terms of reference for the main program components and the plan and schedule of execution for the operation. The cost of these services will not exceed US\$20,000 and will be fully funded by the MIF	

contribution (see paragraph 3.25). Prior to any other disbursement of MIF funds, the MTT/SUBTRANS must submit the output of the above-mentioned consulting services to the Bank for its nonobjection. In addition, a consultant will be hired to conduct the mid-term and final evaluations of the main activities (see paragraph 3.27).

**Environmental  
and social  
review:**

The Committee on Environment and Social Impact reviewed the project at its meeting on 2 February 2001. Its recommendations have been incorporated into this document (paragraphs 5.2 through 5.4).